

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3322-01
Bill No.: HB 1401
Subject: Disabilities; Elementary and Secondary Education Dept
Type: Original
Date: January 23, 2002

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
General Revenue*	(\$5,714,789)	(\$5,886,233)	(\$6,062,820)
State School Moneys	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> State Funds*	(\$5,714,789)	(\$5,886,233)	(\$6,062,820)

***Subject to appropriation**

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
School Districts*	\$5,714,789	\$5,886,233	\$6,062,820

***Subject to appropriation**

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 4 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Elementary and Secondary Education (DESE)** assume the proposal would make eligible for inclusion all hearing impaired and vision impaired students, in addition to eligible deaf and blind students; reimbursements would be for costs that exceed the average per-pupil expenditure for non-disabled students.

DESE assumes the fiscal impact for FY 03 as follows:

<u>Childcount</u> <u>Categories (12-00)</u>	<u>Number</u>	<u>Multiplier(1)</u>			<u>Expenditure(2)</u>		<u>Totals</u>
Partially sighted	196	x	0.3	x	\$6,792	=	\$ 399,370
Blind	245	x	0.8	x	\$6,792	=	\$1,331,232
Hard of Hearing	782	x	0.3	x	\$6,792	=	\$1,593,403
Deaf	440	x	0.8	x	\$6,792	=	<u>\$2,390,784</u>
							\$5,714,789

(1) Estimated multiple from average education costs.

(2) FY 01 statewide expenditure per student in average daily attendance.

The average multiple of cost for special education is between 1.6 and 1.9 that of non-special education. The multiples used for this assumption were estimated based on knowledge of special education costs and services for such students.

Oversight assumes a 3% inflation factor for FY 04 and FY 05 for estimated cost of \$5,886,233 and \$6,062,820, respectively.

DESE assumes the language in the proposal could result in the possibility of districts receiving duplicate reimbursements for some costs. For example, districts receive additional reimbursement for special education which is not part of the average of reimbursements for "nonspecial education students".

<u>FISCAL IMPACT - State Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
GENERAL REVENUE FUND			
<u>Cost</u> - Elementary and Secondary Education (DESE) Increased transfers to State School Moneys Fund	<u>(\$5,714,789)</u>	<u>(\$5,886,233)</u>	<u>(\$6,062,820)</u>
STATE SCHOOL MONEYS FUND			
<u>Income</u> - Transfer from General Revenue Fund	\$5,714,789	\$5,866,233	\$6,062,820
<u>Cost</u> - Reimbursements to School Districts	<u>(\$5,714,789)</u>	<u>(\$5,866,233)</u>	<u>(\$6,062,820)</u>
ESTIMATED NET EFFECT TO STATE SCHOOL MONEYS FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
SCHOOL DISTRICTS			
<u>Income</u> - Reimbursements from State School Moneys Fund	<u>\$5,714,789</u>	<u>\$5,866,233</u>	<u>\$6,062,820</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

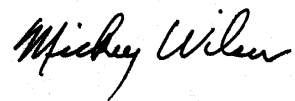
DESCRIPTION

This proposed legislation permits school districts to bill the Department of Elementary and Secondary Education for reimbursement of costs of educating deaf, hearing impaired, blind, and visually impaired students who are eligible for special education services. Costs that exceed the average local, state, and federal funds expended for students who do not receive special education may be reimbursed, subject to appropriation.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Elementary and Secondary Education

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA
Acting Director
January 23, 2002